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A STUDY OF TRAINING IN INSURANCE AND THEIR IMPACT ON EMPLOYEES PRODUCTIVITY

Prof. Shefali Verma Thakral
Department of Psychology
MAHATMA GANDHI KASHI
VIDYAPITH, VARANASI
(An Uttar Pradesh State University)

ABSTRACT

The training and development function plays a further enhanced role and holds more importance, as it deals with knowledge of workers. Employees are entrusted different roles and responsibilities in the LIC. Training enables them to carry out these roles and responsibilities efficiently and also learn new things, which will prepare them to take up higher responsibilities in the future. In the insurance sector, the training and development function holds a key responsibility by helping employees to upgrade their performance on a continuous basis. This paper analyzes the status of various training and development practices in Life Insurance Corporation in India and explores the proposed link between the training and employees productivity. The study makes use of statistical techniques such as mean, standard deviation, Z test. Correlation analysis and regression analysis to process and analysis the data collected for this study. The result shown that the Training in Life Insurance Corporation is average and the perception of employees regarding the Training and Development do not differ significantly. The paper ends by offering useful suggestions to the management involved in the operations of the corporations. Some of the recommendations are- it is vital that managers, senior executive, as well as all employees receive training; and that any training/management development which takes place is based on proper analysis of its contribution to the effectiveness and efficiency of an organization.

Key words: Training Programme, LIC, Employees Productivity

INTRODUCTION

Human resource development (HRD) is concerned with the provision of learning and development opportunities that support the achievement of business strategies and improvement of organizational, team and individual performance (Armstrong and Baron, 2002). The journey towards a knowledge economy demands the new additional type of competencies like team spirit, co-operation, etc. To reach the destination of knowledge economy in high productivity places like insurance, the lifelong learning concept should be applied to its workforce. During the last ten years, “lifelong learning” has become one of the most frequently heard terms in training circles. This is perhaps an apt response to the increasingly rapid changes under-way in modern societies. As a sequel, every business entity worth its salt is placing utmost importance on the development of Human Capital - the knowledge, skills and motivation embodied in people. The growing share of economic output in the services sector is turning to be knowledge and information-intensive. This in itself is placing a high premium on the continued chronological development. This reality according to Goldstein and Gillian (2006); and Zager (2008), has magnified the importance of successful training and development programs with measurable results. Consequently training and development has become one of the most critical aspects of human resource management effectiveness.

No matter the way one looks at training and development, they help employees to learn how to use the resources in an approved fashion that allows the organization to reach its desired output. Able people may grow to a point where they are ready for responsibilities beyond their initial assignment. When this happens, training and development become imperative. Training and development has grown concerned not only with helping individuals to adequately fill their positions, but also with helping whole organizations and sub departments grow and develop. . Training is concerned with the meeting between two inputs to organizational effectiveness, that is, people and technology. Since an organization can rarely secure people who are at the time of employment, total masters of their unique requirements, organizations need a good training and development programme. Training changes uninformed employees to informed employee; training changes unskilled or semiskilled workers in to employees who can do their assigned tasks in the way the organization wants them done into workers who do things the right way.

Training and development could then be seen as a mixture of activities aimed at improving the performance of personnel in organizations for the attainment of continuous improvement in productivity. Productivity provides us with a way of looking at how efficiently production inputs are used in an economy. Mali (2002) sees productivity as “the measure of how well resources are brought together in organizations and utilized for accomplishing a set of results. Productivity is reaching the highest level of performance with the least expenditure of resources. Productivity is often seen as total output/total input. Thus the productivity of an employee is seen as the relationship between the employee’s input and the effectiveness of the use of the factors of production to produce goods and services is commonly referred to as productivity.

LITERATURE REVIEW

Donald L. Kirkpatrick (2006), *Evaluation, Training and Development Handbook* approached its, evaluation process in a more logical way. The author emphasized that while evaluating training, instead of just studying the reactions of the trainees, the study could be carried out in four different levels viz., i.e., reaction, learning, behaviour and results. The author’s guidelines and discussions on each level of evaluation of training are worth mentioning. Jane Richards (1997), *Management Training the Real Objectives* views that while embarking upon a management programme, the real objective must be to focus on the individual manager, not the position in the company. The author's discussion on training needs analysis i.e., about core competencies, job profiling and identification of competencies gaps-either against core competencies for individuals or against job profiles for generic roles is worth mentioning. Niki Glaveli; Stella Kufidu (2005), in their paper analyzed the changes that took place in the Greek banking industry in the last years, their impact on the role of employees training and development for strategy implementation and success, using four case studies to investigate the effect of the environmental changes on these particular banks and the role of their training and development strategies in adjusting themselves to the changing industry environment. Riyaz Rainaye (2004), in their study empirically examined the training policy in two commercial banks, namely, State Bank of India and Jammu & Kashmir Bank Limited. The focus is on the various facets of training including Management’s attitude towards training, training inputs, quality of training programmes and transfer of training to the job.

Whereas it records that the training scenario is to a large extent satisfactory. it evaluates the opinions of the employees of two cadres of both banks: in particular that it can be made fully effective only when the training needs assessment and transfer of training to the job are considerably improved, besides bringing in finer improvements in other dimensions.

Shishupal Singh Badhu and Karunesh Saxena (1999), Role of Training in Developing Human Resources is another work of relevance. In this, the authors concluded that an organization should have well-defined training policy as well as training manual and training should be made an ongoing process. Regarding the executive development programmes the authors have concluded that, these programmes have been found to be useful in improving the productivity, efficiency and effectiveness of managers. The authors have suggested that these programmes should be included as an integral part of the training programme. To meet the demands required of businesses in today's highly competitive market, companies are finding it necessary to provide ongoing training to their employees. In the past, the training offered by most businesses was driven by regulation, customer service requirements, and safety compliance issues. However, businesses are now providing training as a means of increasing worker productivity and performance and improving worker retention.

TRAINING STRATEGIES IN LIC:

The programme should be designed to impart different skills/knowledge as stated above and will differ from one course to another, depending upon the requirements of type of the job and the level of people. Training programme should be repeated at regular intervals for individuals to provide reinforcement of learning.

At present the following types of programmes will be designed and conducted by the training centres.

1. Standard programme on repetitive basis.
2. Role orientation courses in functional areas.
3. Special courses and seminars.
4. Sales training for supervisory and field personnel.

The first category should be attended by all employees at predetermined intervals. A course will also be given to all officers when they move from one level of job to another. When an officer is appointed as Branch, Divisional or Zonal Managers for the first time, he would be assigned to a

programme to help him understand the demands of his new role. This will also apply to persons who are appointed as Heads of a Department in Branch office.

The second and third category of courses will be arranged regularly for officers as they enter into that function at the Divisional, Zonal or Central office level in case they have not attended a programme in that function earlier. No officer should hold a post in functional area for more than six months unless he has attended a programme in that function. The third categories of courses are special programmes depending on the specific requirements of the particular level or the group. The fourth categories of courses are meant for field staff-development officers and Agents.

OBJECTIVES OF THE STUDY

1. To study the Training practices prevailing in some selected Branches of LIC.
2. To study the differences in the perception of employees on the basis of gender.
3. To study the differences in the perception of employees on the basis of designation.
4. To study the differences in the perception of employees on the basis of Qualification.

RESEARCH DESIGN

SAMPLING

For the purpose of the study, the researcher selected the branches of LIC on the basis of judgmental sampling and respondents on the basis of non probability random sampling.

SAMPLE DESIGN

Data Collection and period of study

The researcher personally contacted 250 employees in four branches of LIC in northern India. They were appraised about the purpose of the study and request was made to them to fill up the questionnaire with correct and unbiased information.

QUESTIONNAIRE

The questions were designed to facilitate the respondents to identify major strengths and weakness of the Corporations and provide insights. The endeavors were to identify the key training & Development issues, on which employee's perception can be obtained. The

respondents were requested specifically to ignore their personal prejudices and use their best judgment on a 5 point Likert scale. The purpose of this exercise was to make the response a true reflection of organization reality rather than an individual opinion. The 5 point of the scale indicated in the questionnaire are- 1. Strongly disagree, 2 disagree, 3-Undecided, 4-Agree and 5-Strongly Agree. Reliability (Cronbach's coefficient alpha) of the questionnaire has found to be 0.89. This shows data has satisfactory internal consistency. Reliability Cronbach's alpha is the most common form of internal consistency reliability coefficient. An examination had been made from the reliability of the data to check whether random error causing inconsistency and in turn lower reliability is at a manageable level or not.

HYPOTHESIS

Hypothesis 1

H0: There is no significant difference between the perception of male and female employees.

Ha: The difference is significant between the perception of male and female employees.

Hypothesis 2

H0: The difference is not significant between the perception of employees at different level..

Ha: The difference is significant between the perception of employees at different level..

Hypothesis 3

H0: The difference is not significant between the perception of graduate and post graduate employees.

Ha: The difference is significant between the perception of graduate and post graduate employees.

Perception of employees regarding Training

Factor		Strongly agree	agree	Indifferent	Disagree	Strongly Disagree	Total		
1. Induction training is given adequate importance now than in the past.	No.	76	49	110	21	4	250	-	250
	%	30.4	19.6	44	8.4	1.6	100	-	100
2. Induction training is well	No.	59	90	83	34	2	250	6	250

planned exercise and is of sufficient duration.	%	23.6	36	33.2	13.6	0.8	100	2.4	100
3. The senior officers take interest in and spend time with new recruits during induction training.	No.	22	60	117	45	12	250	12	250
	%	4.4	24	46.8	18	4.8	100	4.8	100
4. There is a structured, widely shared training policy in your corporation based on its business needs.	No.	28	62	111	40	10	250	7	250
	%	11.2	24.8	44.4	16	4	100	2.8	100
5. Employees are helped to acquire technical knowledge and skill through training.	No.	30	72	115	48	-	250	4	250
	%	12	28.8	46	19.2	-	100	1.6	100
6. There is adequate emphasis on developing managerial capabilities of colleagues through training	No.	33	63	128	35	11	250	-	250
	%	13.2	25.2	51.2	14	4.4	100	-	100
7. Human relations competencies are adequately developed in this corporation through training in human skills	No.	40	81	100	43	21	250	5	250
	%	16	32.4	40	17.2	8.4	100	2	100
8. In the corporation, in-house training programmes are handled by competent senior officers.	No.	16	77	124	32	6	250	6	250
	%	6.4	30.8	49.6	12.8	2.4	100	2.4	100
9. The senior officers are eager to help their juniors to develop their competencies through	No.	21	73	128	40	4	250	9	250
	%	8.4	29.2	51.2	16	1.6	100	3.6	100

training.									
10. Employees returning from training are given adequate free time to reflect and plan improvements.	No.	34	65	126	48	9	250	5	250
	%	13.6	26	50.4	19.2	3.6	100	2	100
11.External training programmes are carefully chosen after collecting enough information about their quality and suitability	No.	19	66	120	32	4	250	10	250
	%	7.6	26.4	48	12.8	1.6	100	4	100
12. Experimental action oriented techniques, including game are used to training programs.	No.	15	78	99	29	7	250	16	250
	%	6	31.2	39.6	11.6	2.8	100	6.4	100
13. Various methods are used to help employees learn and implement creative ideas.	No.	39	82	106	36	4	250	4	250
	%	15.6	32.8	42.4	14.4	1.6	100	1.6	100
14. Corporation encourages and support self learning an education by its managers.	No.	42	75	115	18	-	250	-	250
	%	16.8	30	46	7.2	-	100		100
15. Managers are provided opportunities to perform different tasks and acquire competencies.	No.	29	79	112	30	-	250	-	250
	%	11.6	31.6	44.8	12	-	100	-	100
16. Training programs quality and the globalization of business is the very core of the corporation curriculum.	No.	31	42	124	40	13	250	13	250
	%	12.4	16.8	49.6	16	5.2	100	5.2	100

17. Your organization training programs are evaluated and improved every year.	No.	30	55	120	34	11	250	11	250
	%	12	22	48	13.6	4.4	100	4.4	100
18.The officers are sponsored for training programmes on the basis of carefully identified developmental needs	No.	20	71	111	39	9	250	9	250
	%	8	28.4	44.4	15.6	3.6	100	3.6	100
19.The officers sponsored for training go with a clear understanding of the knowledge and skills they are expected to acquire from training.	No.	32	79	102	37	-	250	-	250
	%	12.8	31.6	40.8	14.8	-	100		100
20.Training helps in increasing employee's Productivity	No.	45	105	82	18	-	250	-	250
	%	18	42	32.8	7.2	-	100		100

SAMPLE OF THE STUDY

Following table represents the sample of study:

Gender-wise distribution of employees

	N	Percent
Male	185	74
Female	65	26
Total	250	100

It is observed from the above table that 74% of the respondents are male and the remaining 26%are female.

Designation-wise distribution of employees

	Employees	
	N	Percent
Class-1	100	40
Class-11	69	27.6
Class-111	81	32.4
Total	250	100

It is observed from the above table that 40% of the respondents belongs to class I ,27.6 of the respondents belongs to class II ,the remaining 32.4 of the respondents belongs to class III.

Tab. 1.3 Qualification wise distribution of Employees

	Employees	
	No.	Percent
Graduate	140	56
Post Graduate	110	44
Total	250	100

It is observed from the above table that 74% of the respondents are male and the remaining 26%are female.

Mean and % Scores of All the Four branches of LIC

Branches	Mean Scores	Percentage Scores
All the four branch	3.49	61.39 %

Tab.2.1 Perceptual differences between male and female employees

Particulars	Sample Size	Mean	Variance	SD	SE	Z-Value	LS
Male Employee	185	3.79	76.10	11.17	2.57	-0.58	0.05
Female Employees	65	3.98	84.12	9.28			

Tab.2.2. Perceptual differences between employees at different level

Particulars	Sample size	Mean	Variance	SD	SE	Z value	LS
Class-1	100	120.86	78.20	8.78	2.60	-0.65	0.05
Class-11	69	123.31	205.26	14.33			
Class-111	81	127.41		9.67			

Tab.2.3.Perceptual differences between Employees with graduate and postgraduate qualification

Particulars	Sample size	Mean	Variance	SD	SE	Z value	LS
Graduate Emp.	140	128.26	112.22	10.54	2.49	-0.57	0.05
Postgraduate Emp.	110	126.32	159.90	12.64			

**Table 3 Training practices affecting employee's productivity
(N=250)**

	Dependent variable= employees productivity		
	Beta(^)	Simple r	t- value
F1 Training	.291**	5.49**	3.341

Significant at 0.01 levels

DATA ANALYSIS AND DISCUSSION

Descriptive Statistical Analysis

Table 1 provides the perception of employees about the Training prevailing in the selected branches of LIC. The mean and % score indicate that the Training in selected branches of LIC is average and there is a tremendous scope of improvement in the Training..

Our next objective was to compare the perception of training practices first between male and female respondents. A Z-test was conducted for this purpose. Results are tabulated in table respectively.

The statistics in Table 2.1 describes that there is no significant difference between the perception of male and female employees in terms of observance of training practice. Male and female employees have a slight difference in perception of training. The calculated Z value (- 0.58) falls under the acceptance region (-1.96 to +1.96) at 0.05 significance level, therefore we accept the null hypothesis that the difference is not significant between the perception of Male and Female employees regarding the training in selected branches of LIC.

Our next objective was to compare the perception of Training practice between the classes I, class II, and class III employees A Z-test was conducted for this purpose. Results are tabulated in table respectively.

When compared between managers at different level the calculated Z value (- 0.65) falls under the acceptance region (-1.96 to +1.96) at 0.05 significance level , therefore we accept the null hypothesis that the difference is not significant between the perception of employees regarding the training in selected branches of LIC.

Our next objective was to compare the perception of training practices between graduate and post graduate employees. A Z-test was conducted for this purpose. Results are tabulated in table respectively. The calculated Z value (- 0.57) falls under the acceptance region (-1.96 to +1.96) at significance level, therefore we accept the null hypothesis that the difference is not significant between the perception of Graduates and Post Graduates employees regarding the training in selected branches of LIC.

RECOMMENDATIONS

To improve the Training practices in the insurance companies the following steps should be taken immediately.

- Training system, in these corporation have to increase its focus on improving the quality of service given to clientele.
- There is a need for developing a high level of competence and involvement and thus inculcates a sense of deep commitment and understanding of the challenges of future.
- There is a need for a continuous programme of training for every individual to work as a member of an effective team and activate the potential to achieve the corporation's goal.
- The training has to move from traditional training, to training of the latest technological up gradation.
- Training focus has to shift from mere knowledge development to more of skill enhancement and creating an attitude for service.
- Training professionals have to be used more for training rather than departmental experts.
- Instead of traditional and passive methods such as lecture, more of active methods like case study, business games, and simulations have to be used.
- Corporation have to use extensive e-learning methods, which can save a lot of time and need not require employees to be away from jobs which hamper work.
- The benefits of Training and Development methods have to be utilized for practical purposes rather than they being used just to reflect it on paper.

LIMITATIONS OF THE STUDY

1. The study was conducted in selected branches of LIC in Northern India which may not give the exact picture of the situation.
2. The sample size was very small.
3. Sampling approach has been used in this study. As such, the study suffers from the limitations of sampling.
4. There was very little literature available in the LIC regarding the HRD system.

CONCLUSION

Training plays a very important role in the success of any organization because directly or indirectly it affects the performance of the employees. Through training opportunities, workers can develop and maintain skills that are required for employment in a continually changing workplace. By providing training, employers support the skill development of their employees. If the training is good then the employees will contribute their maximum for the achievement of the organizational objectives. The result of the present study shown that the training practices in the selected branches of LIC are average and there is lot of scope for improvement. The result also shown that there is no difference in the perception of the employees on the basis of gender, qualification, designation. In the insurance, employee's behavior plays a vital role in improving the productivity of an organization. By incorporating personality development programmes such as role play, group discussion and business games the superior and subordinate relationship can be strengthened. Corporation should take necessary steps in such a way that employees should feel training is essential to enhance the productivity and customer satisfaction to meet the present challenges in India.

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